



United States Department of the Interior

BUREAU OF LAND MANAGEMENT WARM SPRINGS RESOURCE AREA

15 East 500 North

Fillmore, Utah 84631

RECEIVED

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IN REPLY REFER TO:

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CERTIFIED MAIL No. P 045 739 571
RETURN RECEIPT REQUESTED

DIVISION OF
OIL, GAS & MINING

Fredrick A. Jackman
Registered Agent
Red Dome, Inc.
1327 South 800 East, Suite 300
Orem, Utah 84058

Dear Mr. Jackman:

Red Dome, Inc. is shown in our records as the owner of several mining claims in the Fillmore, Utah area. These claims are Red Dome, Red Dome 1 through 7, and Red Dome New Discovery. These claims have serial numbers UMC 58767-58774 and UMC 59192. They are located in T. 21 S., R. 6 W., Sections 23, 26, and 27. These claims were located for cinders prior to 1955 and are still in production.

On November 26, 1980, the Bureau of Land Management (BLM) published final regulations for the surface management of public lands under the U.S. mining laws. The principal legal authority for these regulations is found in the Federal Land Management and Policy Act of 1976. These regulations are found in 43 CFR 3809 and their effective date is January 1, 1981. A copy of them is enclosed for your information.

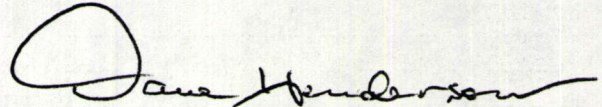
The BLM regulations found in 43 CFR 3809 are designed to prevent unnecessary and undue degradation of the public lands as a result of mining activity. These regulations require that mining claimants file with the BLM either a Notice of Intent or a Plan of Operations before they conduct activities other than casual use. We have no Notice of Intent or Plan of Operations in our files for the area of your mining claims. Because the amount of unreclaimed disturbance at these claims is in excess of 5 acres, a Plan of Operations will be required for your operation. If you have leased these claims to another party, your lessee can file a Plan of Operations. You should note, however, that it is the policy of the BLM to hold the mining claimant responsible for reclamation should a lessee of the claims fail to perform.

It appears from the record that both the BLM and Red Dome, Inc. have been assuming that Red Dome, Inc.'s mining activity was in some way "grandfathered" under the 43 CFR 3809 regulations. This is only partially correct. There is no exemption for pre-1981 operations for filing Plans of Operations. However, there is no requirement that disturbance which occurred prior to the effective date of the regulations be reclaimed.

Please submit a Plan of Operations for this operation within 30 days from your receipt of this letter. In your Plan of Operations please identify the extent of surface disturbance on your claims as of January 1, 1981. The items which need to be addressed in a Plan of Operations are listed in 43 CFR 3809.1-5 in the enclosure. Should this not be possible, or if you need assistance with the preparation of a Plan of Operations, please feel free to contact Phil Allard at (801) 743-6811.

So that you do not experience significant economic hardship, we will not require that you cease operations on these claims until a Plan of Operations is approved. We will, however, require that you confine your operations to locations that have already been disturbed by mining activities until a Plan of Operations is approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Henderson", with a large, stylized initial "D".

Dave Henderson
Area Manager

Enclosure

As stated above

cc: D. Wayne Hedberg, Utah Division of Oil, Gas, and Mining
Jerry Reagan, Millard County Planning and Zoning
Larry Gehre, Fillmore, Utah